HOME TELECOM

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www.HomeSC.com

March 7, 2014

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: Connect America Fund, WC Docket No. 10-90

Dear Ms. Dortch:

Home Telephone ILEC, LLC dba Home Telecom (Home) respectfully submits this expression of interest in the proposed experiments to deploy high-speed, scalable, IP-based networks in rural, high-cost areas using Connect America funding, as outlined in the Order, Report and Orders, Further Notices of Proposed Rulemaking, and Ongoing Data Initiative ("Order") released by the Commission on January 31, 2014.

Background:

Home is an incumbent rural local exchange carrier that has been serving predominately rural areas in portions of Berkeley and Dorchester counties, South Carolina for 110 years. Our service area covers approximately 900 square miles and averages around 20 subscribers per square mile. As with any average, it disguises wide variations. In our case, we serve several relatively densely populated areas but over 80% of our service area averages less than subscribers per square mile.

Despite the rural nature of large parts of our service area, we have managed to provide broadband speeds of at least 3 Mbps up/768 Kbps down to over 95% of our subscriber base. Broadband service is provided over a variety of technology including fiber to the home, coaxial, and DSL over copper. We have also transitioned to an all IP switching platform utilizing enabling the transmission of all voice calls in an IP format.

In addition to these broadband services, we, of course, provide traditional landline voice service to all premises in our service area as well as video services to portions of our service area. We serve 100% of the known Anchor institution in our service area with broadband service, and serve all schools in our service area with fiber.

Home is committed to providing reliable high-quality service, including broadband service, to meet current and future needs of our subscribers throughout the rural areas we serve.

Proposed Service Area for The Experiment:

843.761.9101

579 Stoney Landing Rd
P.O. Box 1194
Moncks Corner, SC 29461

As stated, Home is committed to extending high speed broadband throughout our entire service area. We have made tremendous strides to date towards that goal. Unfortunately, we are now dealing with the challenge of upgrading service to the most remote, most sparsely populated portions of our service area. There are approximately 590 customers scattered throughout 105 census blocks who lack access to 3 Mbps/768 kbps broadband services. This letter of interest proposes that we serve approximately 550 of the remaining customers with a fiber-to-the-premise solution. The locations we suggest serving would encompass all areas where there are existing customer groupings. Each of these areas are currently served by copper which is reaching the end of its economic life. The cost of the copper deployment has been supported through the existing universal support mechanism without which it would not have been possible to provide universal voice service to these high cost to serve locations.

This proposal would not provide broadband service to approximately 45 premises. These few customers represent individual premises or a very small group of premises that are three or more miles remote from the nearest fiber facility. Home continues to investigate how to effectively service these very remote locations with sufficient broadband services. However, this proposal would extend a minimum of 3 Mbps up/768 Kbps down to over 99% of our subscriber locations.

The area we propose to serve includes one or more locations in the following census blocks:

450150201011020	450150204011105	450150204012181	450350103002008
450150201012018	450150204011110	450150204012187	450350103002017
450150201012038	450150204011111	450150204012192	450350103002019
450150201012050	450150204011113	450150204012193	450350103002030
450150201012077	450150204011122	450150204012193	450350103002031
450150201012096	450150204011123	450150204012224	450350103002035
450150201012106	450150204011124	450150204012231	450350103002051
450150201021008	450150204011242	450150204012250	450350103002052
450150201021010	450150204011244	450150204012285	450350103002053
450150201021012	450150204011261	450150204012288	450350103003001
450150201021014	450150204011262	450150204051030	450350103004009
450150201021075	450150204011276	450150204051046	450350103004028
450150201022006	450150204012032	450150204051048	450350103004030
450150201022013	450150204012035	450150204051058	
450150201022020	450150204012038	450150204051060	
450150201022023	450150204012040	450150204051061	
450150201022024	450150204012042	450150204051062	
450150201022119	450150204012043	450150204051145	
450150203012011	450150204012157	450150204051171	
450150204011029	450150204012166	450150204051175	
450150204011091	450150204012170	450150204051195	
450150204011104	450150204012176	450350103002000	

Broadband Technology or Technologies to be Deployed:

This proposal is for a fiber to the premise deployment. This technology is proposed for several reasons as follows: (1) The existing copper plant will reach the end of its useful life within the next

decade. This plant will either have to be replaced in order to maintain landline service to those subscribers. The cost of fiber deployment has fallen to a level where it is commensurate with the cost of copper deployment. (2) Fiber to the premise is the only "future proof" technology available. It is critical that plant upgrade in rural areas be scalable as once in place these facilities will not likely be replaced for 20 or more years. Given the rapid increase in bandwidth requirement, the infrastructure deployed must be capable of meeting needs not just currently, but long into the future. (3) Due to the remoteness and distance between subscribers, efforts to deploy a copper DSL solution would not necessarily produce large savings and as stated in (2) above, it would not be scalable to produce sufficient broadband speeds. (4) The cost model being developed for rural price-cap areas is based on a Greenfield fiber to the premise concept. This proposal represents an actual deployment that would allow for testing of the model against real world conditions. (5) While the proposal only deals with subscribers unable to receive 3 Mbps up/768 Kbps down, the extension of fiber to these unserved areas will allow thousands of other under-served premises to be served over fiber. These premises are currently receiving DSL service above the minimum but well below the speeds enjoyed in most urban areas.

In effect, fiber to the premise represents the next natural evolution of the existing copper network. By definition, a network evolves and changes over time. In the case of our company, obviously the copper plant has been replaced many times over our 110 history. To fail to upgrade the network effectively kills the network. We strongly believe the FCC should address ways to manage the upgrade process from copper to fiber. Many of the problems associated with what the FCC identified as the "race-to-the-top" are simply a timing issue. Hopefully, all agree that our nation should be at the top when it comes to high speed broadband. However, we know, just as with the deployment of the traditional telephone network, we cannot get everyone there at the same time. A reasonable replace and refurbish policy that spreads the replacement of copper networks with a fiber network over time would allow for the normal evolution of the network within an achievable budget. This proposal would allow for a test of that concept.

Contemplated Service Offerings

We would intend to offer broadband service at least 500 Mbps down and 100 Mbps up to the premise served. Gigabit symmetrical service could be offered where desired. In addition, we would offer high quality voice service as well as high definition video services to the premise served. Finally, we would offer various "Smart Home" services such as security monitoring and remote operations of devices such as door locks, thermostats, and lighting.

Funding Requested

The scope of this proposal covers many remote locations and would require the construction of many miles of fiber plant. No detailed engineering study has yet been conducted to allow for precise pricing. However, working with best estimates of our engineering department, we have developed an approximation of the costs for this project and an estimate of the support required. Our estimate includes the extension of a fiber transport facility from existing fiber points to appropriate electronics as well as customer loop and ONT devices. We have calculated expected revenue sources from customers to offset estimated cost. Consistent with our understanding of the Commission's expectation regarding an expression of interest as set forth by FCC staff members, the support request represents our best estimate based on known circumstances and is subject to true-up if this project is selected.

We should also note that the project could be subdivided into discrete individual geographic regions covering only limited specific census blocks. However, based on covering all un-served premises in the previously identified census blocks, we estimate total one time support needed would be approximately $3,550,000.00

We would be willing to extend the receipt of support over a period of 10 years rather than requiring one-time funds. Accordingly, we would request $595,000.00 per year in support for a period of 10 years. This equates to approximately $90.00 per month per subscriber location.

Project Timeline

In order to effectively utilize local employees to perform as much work as possible, we would propose to extend construction over a three-year period. The project would be separated into at least 16 individual routes with construction taking place sequentially on each route. This would allow turn up service along each leg of the project. The initial leg could be turned up in as little as six months with other legs following over the three-year period.

Conclusion

This project is designed to bring a future proof of network to some of the most remote parts of our service territory. It is our contention that fiber replacement of the existing copper network is the natural next step in the continuing evolution of the landline network. This project would allow the FCC to test that contention in a real world environment. Home will use the best practices in the construction and maintenance of the network. In addition, we will ensure that all public safety facilities remain reliable and functional and that essential communications services for safety of life and national security are maintained. Backup power systems will continue to meet all regulatory requirements.

We appreciate the opportunity to present this proposal and we are available to address any questions you may have.

Sincerely,

H. Keith Oliver
Senior Vice President
Home Telecom